

UNH prof links land conservation to higher housing costs

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NH Business Review | USA TODAY NETWORK

Since the 1960s, the New Hampshire landscape has been the scene of a tug-of-war between residential and commercial development on the one hand and protecting and conserving land on the other.

In a report to the NH Association of Realtors last year, Richard England, emeritus professor of economics and natural resources at the University of New Hampshire, tracked this ebb and flow of land to inventory the extent of buildable land in light of the current housing shortage.



England

"I'm an environmentalist," said England, but he questions, "is it possible to be too successful when pursuing a worthy goal like land conservation?" Protecting buildable land from development, he explained, bears an opportunity cost, specifically diminished capacity to provide affordable housing. Plentiful economic research, he said, shows that overly strict land-use regulations contribute to rising land values, home prices and rents.

During the last half of the 20th century, the state's population more than doubled, from 533,242 in 1950 to 1,235,786 in 2000, posting double-digit percentage increases in five consecutive decades, including increases of more than 20 percent in the 1960s, 1970s and 1980s.

Population growth was most robust in the southeastern counties — Hillsborough, Rockingham and Merrimack — where construction of Interstate 95, the Everett and Spaulding Turnpikes and I-93 drew migrants from Massachusetts to jobs in expanding industries in New Hampshire and workers commuting to metropolitan Boston.

England notes the Natural Resources Conservation Service did not begin tracking changes in land usage until 1982, when the first Natural Resources Inventory was issued. The inventory found that between 1982 and 1992, when New Hampshire's population grew 20 percent, the total developed area of the state increased at twice that pace and developed tracts of 10 acres or more increased by 55 percent. The developed area increased 51 percent in Hillsborough County, 40 percent in Rockingham County and 35 percent in Merrimack County.

The response from municipal and state governments, bolstered by advocacy and initiatives of environmental and conservation organizations, was immediate and aggressive. Prior to 1950,

only 20 municipalities — Keene, Manchester, Nashua and Concord among them — had enacted zoning ordinances. By 1980, 131 cities and towns had followed suit, and by 2000 184 of the 234 municipalities had zoning regulations in place.

In 1963, the Legislature authorized municipalities to establish conservation commissions, which would be required to "keep an index of all open space and natural, aesthetic or ecological areas within the city or town." Subsequent legislation empowered conservation commissions to acquire land, through donations, purchases or easements, in the name of municipalities to forestall its development. Since Hollis convened the first conservation commission in 1963, 215 cities and towns have followed in its footsteps.

The current use program, in which more than half the land in the state is enrolled, has proved the most expansive countermeasure to population growth and land development.

In 1968, SPACE, a broad coalition of environmental, agricultural and recreational organizations, championed a constitutional amendment to allow land to be assessed at its current use rather than fair market value, which carried by an overwhelming margin of 2-1.

Five years later, the Legislature enacted a statute requiring forest, farm and wetland parcels of 10 acres or more be assessed at their current use, not market, value. The current use program provides landowners with tax incentives so long as they defer development of their land, without however prohibiting them from developing their property in the future.

In 2019, the 3,001,655 acres enrolled in the current use program represented more than half the entire land area of the state. Almost half this acreage is in the three northernmost counties: Coos, Grafton and Carroll. In the three southern counties, acreage in current use accounts for 46 percent of the land in Hillsborough County, 33 percent in Rockingham County and 57 percent in Merrimack County.

Apart from steps taken by state and local government, several nonprofit corporations have either acquired property or brokered easements to forestall development of land.

The Society for the Protection of New Hampshire Forests, formed in 1901, was instrumental in creating the White Mountain National Forest in 1918 as well as sparing iconic landscapes — among them Mount Sunapee, Mount Monadnock, and Franconia Notch — from logging and development. Altogether, the society owns some 56,000 acres, and since 1971 has negotiated conservation

easements with private landowners on more than 700 properties covering 132,786 acres and deed restrictions on another 94 properties covering 13,377 acres.

The Nature Conservancy has had a hand in protecting more than 300,000 acres of ecologically sensitive land across the state while New Hampshire Audubon owns 7,400 acres outright and has easements on another 2,500 acres, much of both serving as wildlife sanctuaries.

Since 2000, a falling birth rate, dwindling migration and scant immigration have slowed population growth, and the pace of land development has slowed with it. The percentage increase in developed acreage from 2002 to 2012 was 8.2 percent, less than half the 19.6 percent of the prior decade and between 2012 and 2017 it fell to 1.4 percent, less than the increase in population.

As growth slowed, home prices stabilized, then fell, with the Great Recession in 2008 before beginning to rise in 2013, and since then the median sales price of single-family homes has more than doubled. Meanwhile, as home prices flattened and fell, residential building permits plummeted from near 750 units in 2004 to less than 200 in the depth of the recession, and despite recent rebounding has yet to reach half the number of 2004.

England asks whether, despite estimates of a housing shortage of some 20,000 to 30,000 units and the robust demand for single-family homes, condominiums and rental units, housing construction has been constrained for want of buildable land, particularly in the three southern counties.

England begins with the 5,941,000 acres of total surface area of the state, then discounts the 224,000 acres of lakes, ponds and rivers, leaving 5,617,000 of land area. The federal government owns 802 of them, most forested.

The state and municipalities hold 572,000 acres as forests, parks and nature preserves. And 737,000 acres had been developed by 2017. This leaves undeveloped land not owned by federal, state or municipal governments of about 3.6 million acres, or 60 percent of the total surface area of the state.

The 3,001,000 privately owned acres enrolled in current use represents the largest share of undeveloped land. This acreage does not include land eligible but not enrolled in current use and land enrolled in current use but further restricted by conservation easements. Moreover, England estimates that some 281,000 of these acres — barrens, pastures and marshland — are not suited for development, and another 723,000

acres of privately owned land are subject to conservation restrictions.

Altogether, discounting for land already developed, owned by the government, deemed unbuildable and subject to restrictions, England estimates there are more than 2.6 million acres of "physically and legally buildable plots of land in private ownership." This, he says, "seems to be more than enough land to support new home construction for decades to come."

He assumes "a substantial portion of the private land without conservation restrictions that is currently enrolled in the current use program would be available for development — at the right price."

Likewise, England finds there is no shortage of land for development in the three southern counties, which are home to more than half the state's population. He estimates that "physically and legally buildable land" amounts to 206,000 acres in Hillsborough County, 167,000 in Rockingham County and 331,000 acres in Merrimack County. In all three counties, the acreage of available land is greater than that of developed land, and in Merrimack County it is fourfold greater.

However, England writes, "there is still room in New Hampshire for construction of new housing, but the land use regulatory system that was created during the late 20th century will have to be reformed if those new homes are to be built."

He suggests that simply "preserving open space" is insufficient to forestall development and recommended local officials "demonstrate the ecological value of protecting land."

Referring to a study of 24 metropolitan areas, England says, "a causal relationship" has been demonstrated between strict land-use regulation and the rising costs of land and housing.

In particular, he questions the imposition of two-acre minimum lot sizes, which leads to construction of expensive homes spread across large tracts, all but excluding housing for low- and middle-income households while consuming displacing open space with sprawl.

England asks that, while restrictive zoning regulations and aggressive conservation efforts made sense amid rapid population growth and development, "isn't it time to pause, take a deep breath and discuss how to strike a balance between protection of rural land and production of affordable housing?"

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